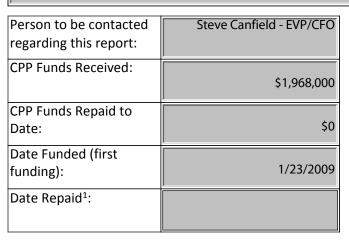
ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

(Include Holding Company Where Ap	р
Fresno First Bank	



RSSD:	
For Bank Holding Companies)	
Holding Company Docket Number:	
For Thrift Holding Companies)	
FDIC Certificate Number:	
For Depository Institutions)	58090
City:	
	Fresno
State:	
	California

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

_	Increase lending or reduce lending less	The CPP capital helped our Bank increase lending by \$12.2 million, or 18.7% in 2009.
		The CFF Capital helped our bank increase lending by \$12.2 million, or 16.7% in 2009.
	than otherwise would have occurred.	

¹If repayment was incremental, please enter the most recent repayment date.

increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	Fresno First is primarily a small business lender. Most of our growth took place in C&I loans to small local businesses (approximately \$10 million) additional loan categories reflecting increases were commercial owner occupied property with a decline in construction lending.
etc.).	During 2009 we added to our investment portfolio with the majority of new investments going into SBA related securities.
Make other investments	
 Increase reserves for non-performing assets	Reserves were increased in 2009 net of charge offs. The increase was a reflection of continued economic weakness and growth in our loan portfolio.

	Reduce borrowings	
.	Increase charge-offs	Charge offs increased in 2009 to \$690 thousand, up from \$375 thousand in 2008.
X	lincrease charge-ons	Charge ons increased in 2009 to 3090 thousand, up from 3575 thousand in 2006.
	Purchase another financial institution or	
	purchase assets from another financial	
	institution	
X	Held as non-leveraged increase to total	As a result of the CPP capital and net income for the year, the Bank was able to increase our capital
	capital	to asset ratio from 11.5% at year end 2008 to 12.1% at December 31, 2009.
	oup.tu.	·

What actions were you able to avoid because of the capital infusion of CPP funds?

As a reasonably new bank with growth goals that we projected would exceed the rate of capital formation from net income, Management concluded that Fresno First would likely need to raise additional capital as early as Q4 2009. Given the state of the capital markets at the end of 2008, and the probability that raising additional capital would likely be expensive and problematic, we determined that the most efficient and least
costly source of capital would be the TARP CPP program.
The additional capital from CPP would allow the Bank to continue to grow at the pace we desire while maintaining capital levels in excess of regulatory defined "well capitalized" levels. Looking forward, as the cost of Bank capital becomes more reasonable it is anticipated that the Bank will raise capital sufficient to repay the CPP funds as well as provide capital for future growth. At present we do not have a specific time table for these events.
As a result of the CPP funds we were able to avoid (1) stopping, or significantly slowing, growth and lending or (2) raising capital in a hostile
environment that would be extremely expensive and dilutive for our current shareholders.

What actions were you able to take that you may not have taken without the capital	infusion of CPP funds?
Without the additional CPP capital it is quite likely we would have had to slow or stop our growth. This would have resulted in turning away good borrowers and ceasing investment in government guaranteed securities and loans.	

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.
As mentioned above the funds allow Fresno First to maintain capital levels in excess of "well capitalized" standards which allow the Bank to
continue to grow organically and lend in our community.
According to the Panerwork Peduction Act of 1995, no persons are required to respond to a collection of information unless

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.